

December 6, 2012

Honorable Darrell E. Issa Chairman Committee on Oversight and Government Reform U.S. House of Representatives Washington, DC 20515

Dear Mr. Chairman:

This letter responds to your request for information about CBO's March 20, 2010, cost estimate for H.R. 4872, the Health Care and Education Reconciliation Act of 2010, in combination with H.R. 3590, the Patient Protection and Affordable Care Act. Specifically, you asked for a description and explanation of CBO's assumption that the premium assistance tax credits established by that legislation would be available in every state, including states where the insurance exchanges would be established by the federal government.

To the best of our recollection, the possibility that those subsidies would only be available in states that created their own exchanges did not arise during the discussions CBO staff had with a wide range of Congressional staff when the legislation was being considered. Nor was the issue raised during consideration of earlier versions of the legislation in 2009 and 2010, when CBO had anticipated, in its analyses, that the credits would be available in every state. CBO's analysts reviewed H.R. 4872 and H.R. 3590 to try to ensure that the agency's estimate accurately reflected the legislative language, as they do for all legislation that they analyze, but that question did not arise in the course of that review, and CBO did not perform a separate legal analysis of that issue.

I hope this information is helpful to the committee.

Sincerely,

Nous W S Douglas W. Elmendorf

cc: Honorable Elijah E. Cummings Ranking Member